

STATEMENT OF INTENT
FOR SUSTAINABLE DEVELOPMENT COOPERATION AND
JOINT IMPLEMENTATION OF MEASURES TO CONTROL
EMISSIONS OF GREENHOUSE GASES BETWEEN
THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA
AND
THE NATIONAL ENERGY COMMISSION OF CHILE:

WHEREAS the Department of Energy (DOE) of the United States of America, on the one hand, and National Energy Commission of Chile, on the other hand, ("the Participants"), recognize that enhancing environmental protection, and, in particular, controlling greenhouse gas emissions to limit potential adverse climate change impacts, would be mutually beneficial;

WHEREAS, the Participants recognize that limiting the adverse impacts of climate change requires a global solution, to which both the United States and Chile can make significant contributions, and the Participants have a mutual interest in working together in this area;

WHEREAS, the Participants recognize that the Framework Convention on Climate Change, which the governments of both countries have ratified, and other international agreements, encourage countries to pursue the rapid development and implementation of cooperative, mutually voluntary, and cost-effective projects, particularly technology cooperation projects aimed at reducing or sequestering emission of greenhouse gases and at promoting sustainable development;

WHEREAS the Participants will mutually benefit from the deployment and use of sustainable energy and greenhouse gas emissions reduction and sequestration technologies and methods;

WHEREAS the Participants recognize the potential for additional investment in environmentally, socially and economically sound development through the participation of the private sector in joint implementation of measures and technology cooperation projects to reduce emissions of greenhouse gases;

WHEREAS, the Participants recognize that many methods and technologies that limit greenhouse gas emissions, also contribute to the control of local and regional environmental problems and that cost-effective, world-wide greenhouse gas emissions reductions may be achieved by encouraging such reductions in countries where responsive solutions are available at least cost with possible financial and technical assistance and investment from individuals and organizations in other countries;

The Participants declare as follows:

The Participants hereby intend to facilitate the development of joint implementation projects in order to encourage the following: market deployment of greenhouse gas-reducing technologies, including energy efficiency and renewable energy technologies; education and training programs; increased diversification of energy sources; conservation, restoration, and enhancement of forest

carbon sinks, taking into account the promotion of reducing greenhouse gas emissions and other associated pollution; and the exchange of information regarding sustainable energy technologies;

This cooperation might contribute of future similar arrangements among countries and contribute to the international establishment of an accessible joint implementation regime that is sensitive to environmental, developmental, social and economic priorities. This cooperation is intended to encourage partnerships involving the Participants, the private sector, non-governmental organizations, and other entities.

The Participants intend that the forms of cooperation under this framework may include, but are not limited to, the following:

- A. The development of Chilean country criteria to regulate acceptance of joint implementation projects, according to Chilean domestic priorities for measures to reduce greenhouse emissions and increase carbon sinks via joint implementation, taking into account improved rural income opportunities, and local participation in project planning and execution; this may include the designation of a government representative with the responsibility for project evaluation and issuance of official statements of project acceptance;
- B. Identification and support of projects that are likely to meet the criteria for joint implementation project selection developed by the United States Initiative on Joint Implementation (USIJI), by Government of Chile, and by the Conference of the Parties of the United Nations Framework Convention on Climate Change;
- C. The design of methodologies and mechanisms to establish procedures for monitoring and external verification of greenhouse gas reductions, and the tracking and attribution of such reductions in joint implementation projects, consistent with the criteria for project selection being developed by the USIJI, Chile and by the Conference of the Parties of the United Nations Framework Convention on Climate Change;
- D. Outreach and promotion of joint implementation in the private, public, and nongovernmental sectors, including dissemination of information about the USIJI and about Chilean criteria for joint implementation projects, and supporting technical assistance resources through workshops, conferences, and information networks;
- E. Support of the establishment of an international pilot phase for joint implementation as a first step in order to achieve an international regime on joint implementation within the terms of the Framework Convention on Climate Change. This pilot phase should:
 - be open to all Parties;
 - be voluntary and additional;
 - be focused on project implementation and information exchange and the development of effective international criteria for joint implementation;
 - leave the assessment of individual projects to individual governments and the private entities involved;

- facilitate the exchange of information about mechanisms for the determination of crediting greenhouse gas emissions reductions by each party.
- F. The exploration of credible certification of emissions reductions, especially the determination of reasonable greenhouse gas emissions baselines at the project level;
- G. In cooperation with the proper national institutions, the design of activities and projects implemented in accordance with this Statement of Intent, for the purposes of:
1. encouraging of increased private sector involvement in sustainable development and joint implementation projects;
 2. providing information concerning additional sources of project funding and the policy framework needed to facilitate access to them; and
 3. providing information concerning arrangements of business agreements, joint ventures and licensing agreements between U.S. companies and Chilean enterprises.

Additional Organizations:

The Participants may invite additional organizations within their own countries to participate, at their own expense, and subject to such terms and conditions and the Participants may specify, in cooperative activities under in this Statement of Intent. Such organizations may become a signatory to annexes to this Statement of Intent upon agreement of both Participants in writing.

The Participants intend that any joint implementation project or other joint activity or arrangement undertaken pursuant to this Statement of Intent will be on terms accepted by all parties to the transaction. Furthermore, the Participants intend to include appropriate patent and other intellectual property rights provisions, as well as provisions to protect business confidential information, in any such plans or arrangements. In particular, in the event that any activity involves access to and the sharing or transfer of technology subject to patents or other intellectual property rights, such access and sharing or transfer should be provided on terms which recognize and are consistent with the adequate and effective protection of intellectual property rights.

Signed at Santiago, Chile, on this 7 day of March, 1995, in duplicate, in both English and Spanish.

FOR THE DEPARTMENT OF ENERGY
OF THE UNITED STATES OF AMERICA:

CHRISTINE A. EDWIN

FOR THE NATIONAL ENERGY
COMMISSION OF CHILE:

Mario Fontalba R.